

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
TRSE-00 OMB-01 EB-08 AID-05 /070 W
-----050605Z 024349 /12
R 041555Z MAR 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 2401

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E.O. 11652: N/A

TAGS: SUBJ: SADAT CITY PLANNERS SEEK FINANCIAL ASSISTANCE, SUBJECT
MAY BE RAISED DURING SADAT'S VISIT TO U.S.

1. OVER VIEW PANEL FOR SADAT CITY PLANNING EFFORT MET
IN CAIRO PAST WEEK TO REVIEW WORK, WHICH NOW MORE THAN HALF-
FINISHED, AND TO DISCUSS STRATEGY FOR IMPLEMENTATION.
PANEL CONSISTS OF DAVID CRANE, WHOSE PHILADELPHIA -BASED
COMPANY LEADS SADAT CITY CONSORTIUM; SIR DENNIS RICKETT,
RETIRED LONDON INVESTMENT BANKER; AND FORMER AMBASSADOR
TED MOSCOSO. DURING CALL ON AMBASSADOR MARCH 1, PANEL
GAVE STATUS REPORT ON THEIR EFFORTS TO DATE.

2. PLANNING HAS REACHED STAGE WHERE STEPS SHOULD BE
TAKEN BY GOE TO BEGIN IMPLEMENTATION. GOE, HOWEVER,
APPEARS TO BE WAITING UNTIL FINAL REPORT IS FINISHED
BEFORE TAKING ANY ACTION TOWARDS IMPLEMENTATION. PLANNERS
POINT OUT NOW IS REALLY TIME TO START. FOR EXAMPLE, GOE
HAS NOT YET MADE FINAL DECISION ON PLACEMENT OF IRON ORE
(ELECTRIC ARC FURNACE) PROCESSING COMPLEX, WHICH IS
ONE OF MAIN ECONOMIC SUPPORTS FOR SADAT CITY. PLANNERS
ALSO WANT MINISTRY OF HOUSING AND RECONSTRUCTION TO
IMMEDIATELY CREATE SADAT CITY AUTHORITY AND APPOINT
DIRECTOR GENERAL WHO COULD BEGIN TO IMPLEMENT PLANS,
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RAISE MONEY AND PARTICIPATE IN DECISIONS THAT AFFECT
CITY'S FUTURE. WHILE THERE IS NO LINE ITEM IN ANY
ITEMS IN FIVE-YEAR PLANS OF VARIOUS MINISTRIES WHICH
AFFECT CITY.

3. DAVID CRANE ASKED IF USG, THROUGH ITS SUBSTANTIAL
LOCAL CURRENCY HOLDINGS, MIGHT NOT BE ABLE TO PARTICIPATE

IN ESTABLISHMENT OF AUTHORITY AND FUNDING FOR OPERATIONS OF DIRECTOR/GENERAL. GROUP IN GENERAL PRESSED FOR AMBASSADOR'S OPINION ABOUT FEASIBILITY OF SEEKING AMERICAN FINANCIAL ASSISTANCE, SPECIFICALLY MENTIONING OUR LOCAL CURRENCY DEPOSITS FOR USE IN CONSTRUCTION.

4. AMBASSADOR NOTED WE HAVE SUPPORTED IDEA OF NEW CITIES AND HE, IN FACT, HAD WORKED HARD TO SEE THAT AMERICAN COMPANY OBTAINED SADAT CITY CONTRACT FROM MINISTRY OF HOUSING AND RECONSTRUCTION. FACT IS, HOWEVER, THAT IN TERMS OF AMERICAN ASSISTANCE NONE OF THE PROJECTS HAVE EVER BEEN MENTIONED TO US BY GOE IN CONTEXT OF FORWARD PLANNING FOR USE OF OUR ECONOMIC ASSISTANCE. IN ADDITION AMBASSADOR NOT AWARE THAT IN GENERAL THEY HAVE HIGH PRIORITY IN TERMS OF OVERALL GOE PLANNING. IF WE SHOULD BE ASKED BY GOE TO CONSIDER THESE PROJECTS, WE WOULD OF COURSE LOOK INTO MATTER BUT AMBASSADOR INDICATED WE WOULD BE INTERESTED IN SELECTED ELEMENTS ONLY AND NOT PROJECTS AS A WHOLE. REGARDING ESTABLISHMENT OF SADAT CITY AUTHORITY, AMBASSADOR SAID THAT THIS IS MOST PROPERLY GOE RESPONSIBILITY. IF GOE PLACES HIGH ENOUGH PRIORITY ON THESE NEW CITIES, THEN THEY CERTAINLY HAVE RESOURCES TO CREATE BUREAUCRATIC ENTITIES NECESSARY TO SUPPORT THEM.

5. PANEL INDICATED UNDERSTANDING OF AMBASSADOR REMARKS ABOUT PRIORITIES. IN THIS CONNECTION, THEY SAID THAT THEY HAD BEEN INFORMED THAT MINISTER OF HOUSING AND RECONSTRUCTION HAD BEEN TASKED TO DO REPORT ON NEW LIMITED OFFICIAL USE

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CITIES FOR PRESIDENT SADAT TO TAKE TO WASHINGTON IN APRIL. ASSUMPTION IS THAT SADAT WILL RAISE SUBJECT DURING HIS DISCUSSIONS WITH USG.

6. COMMENT: WE HAVE NOT HEARD THAT PRESIDENT PLANS TO RAISE SUBJECT OF US ASSISTANCE FOR NEW CITIES DURING HIS APRIL VISIT. MINHOUSING MAY BE PREPARING ABOVE MENTIONED REPORT WITH HOPE OF ENCOURAGING PRESIDENT SADAT TO DO SO. IF TRUE, SUCH GOE ACTION WOULD ACCORD MUCH HIGHER PRIORITY TO THESE CITIES THAN WE HAD PREVIOUSLY BEEN AWARE OF. WE ARE TRYING TO DETERMINE IF PRESIDENT INDEED INTENDS TO RAISE SUBJECT OF NEW CITIES IN U.S. AND WILL ADVISE.
EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URBAN DEVELOPMENT, FOREIGN ASSISTANCE
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Copy: SINGLE
Sent Date: 04-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D770076-0469
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770394/aaaadenr.tel
Line Count: 111
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9fcaadb-dc288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3211469
Secure: OPEN
Status: <DBA CHANGED> mcm 20041104
Subject: CONSTRUCTION
TAGS: EAID, EG
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/9fcaadb-dc288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009